AGENDA

Stadium Authority Meeting 99-500 Salt Lake Boulevard Aiea, Hawaii 96818 March 29, 2007

- I. Call to Order
- II. Approval of Minutes of February 22, 2007
- III. Monthly Report
 - A. Chairman's Report
 - B. Stadium Manager's Monthly Report
 - C. UHAD Monthly Report
 - D. Centerplate/Swap Meet Monthly Report
 - E. Hawaii Malls Inc. Monthly Report
- IV. Approval of Events
 - A. The Prayer Center- January 5 or January 19, 2008 (Saturday)
 - B. JN Automotive- August 11-12, 2007 (Saturday and Sunday)
 - C. Punish "UM Motorsports, Inc."-July 28, 2007 (Saturday)
 September 29, 2007 (Saturday)
 November 17-18, 2007 (Saturday and Sunday)
 All events will be held at (9:00 a.m. – 5:00 p.m.)
 - D. Click Entertainment, Inc. June 29 or June 30, 2007 (Friday-Saturday)
- V. Unfinished Business- Discussion and Appropriate Action
 - A. Parking Task Force- Report from sub-committee on future parking and traffic plans to the Aloha Stadium parking lot
 - B. Legislative Report-Report from State Comptroller on Legislative Bills that will affect Aloha Stadium
 - C. Search for Stadium Manager- Board's decision on the selection of a Stadium Manager

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- VI. New Business- Discussion and Appropriate Action
 - A. Head of Security for Aloha Stadium Report and Discussion on the hiring of the Head of Security for Aloha Stadium
 - B. Soccer United Marketing Pan Pacific Championship- request to open the configuration of Aloha Stadium to host an international soccer event
 - C. Kapolei Recreational Sports Complex Discussion to pursue or remove the Kapolei Recreational Sports Complex from HRS Chapter 109-1 and 109-9
- VII. Next Meeting April 26, 2007
- VIII. Adjournment



An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 March 29, 2007

Member Absent

Marvin Fong

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Kathryn Inouye

Alexander Kane, Jr.

Marcia Klompus

Kenneth Marcus

Nelson Oyadomari

Alan Tamayose

Staff

Kenneth Lum

Shawn Nagata

Eugene Tokuhama

Engel Garcia

Others

John Dellera, Deputy Attorney General

Russ Saito, DAGS Comptroller

Kerry Yoneshige, DAGS Administrative Services Officer

Farah Cabrera, Centerplate

Carl Clapp, University of Hawaii

Steven Antonio, Office of Rep. Lynn Finnegan

Tracy Arakaki, Punish 'UM Motorsports, Inc.

Chris Messer, Oahu Motor Sports Association

Nelson C. Rodriguez, Sr. VP - Soccer United Marketing

Takehiko Nakamura - Coordinator, Soccer United Marketing

I. CALL TO ORDER

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m.

II. APPROVAL OF MINUTES

Chairman Chong Kee corrected page 12, D. first paragraph, line six, to read: ".....were certified by <u>DAGS Personnel</u>."

ON A MOTION BY MEMBER MARCIA KOMPUS AND SECONDED BY MEMBER KAY AHINA, THE BOARD UNANIMOUSLY APPROVED THE MINUTES OF THE FEBRUARY 22, 2007, MEETING AS CORRECTED.

III. . MONTHLY REPORT

A. Chairman's Report

Congratulations to Russ Saito on being reappointed as a Director of DAGS.

Chairman informed the Board that he has responded to Mr. David Kaahaina's letter concerning an incident that occurred during the Pro Bowl, where a fan nearly fell over the edge due to an altercation in the stands. He assured Mr. Kaahaina that part of the planned renovations at the stadium does address some safety issues and includes the railings on the upper levels. Copies of Mr. Kaahaina's letter were sent to the City Council and several Senators and Representatives. We received a letter of support from Senator Sakamoto relative to the repairs to the stadium.

Member Ahina requested that management come up with a solution to the long lines at the women's restrooms during events with high attendance. Chairman Chong Kee noted that this matter was discussed with Acting Deputy Manager Scott Chan, who is looking at the possibility of asking licensees to rent long trailers with sanitois. Ms. Ahina requested a future report on this matter.

Executive Session Minutes

Chairman Chong Kee advised the Board that he has been receiving executive session minutes via email from Deputy Attorney General John Dellera, but did not distribute them to the members.

Mr. Dellera reported that the executive session minutes should be circulated among the members of the Board and they need to approve them, just as they do with the public meeting minutes. The law requires that the Stadium Authority have minutes and that they be available within 30 days after a meeting. Executive

session minutes may not be available for the public if there is a reason to continue reserving confidentiality; but once those reasons no longer exist, then the public has a right to see them. He also stated that he has written the last two executive session minutes, which should be circulated to the members for their comments and approval. Once that is done, the Chairman should sign them. If you need to discuss them and raise issues that should not be raised in a public session, then you have to approve the executive session minutes at another executive session.

After a lengthy discussion, Chairman Chong Kee asked Mr. Dellera to continue taking the minutes of the executive sessions, and to distribute them directly to the Board.

B. Stadium Manager's Monthly Report

Acting Stadium Manager Kenny Lum stated most of his staff are away and he will answer any questions that the Board may have.

C. <u>UHAD Monthly Report</u>

On behalf of UH Athletic Director Herman Frazier, Carl Clapp reported UH has scheduled seven home games and they are continuing to work on other matters. He also said he would be happy to refer any questions to Mr. Frazier.

D. <u>Centerplate/Swap Meet Monthly Report (report distributed)</u>

Swap Meet

Farah Cabrera reported on March 17, 2007, the Swap Meet hosted a Saint Patrick's Day Celebration at the North End Zone. They served an Irish menu and had a live band, which generated an attendance of approximately 8,000 people. They are now planning their first fashion show during the month of April.

Concessions

Although there was a decrease in attendance at this year's Pro Bowl, the per capita sales increased from \$15.66 to \$15.90.

Member Inouye addressed Ms. Cabrera by noting there has been a significant decline in attendance and revenue at the Swap Meet during the past several years. She requested a historical report of the five years preceding Centerplate's taking over the management of the Swap Meet, in terms of overall attendance and annual

revenues. She also requested identical reports during the years that Centerplate has managed the Swap Meet. She advised Ms. Cabrera to anticipate additional questions from her with regard to what Centerplate is doing to market the Swap Meet and how they are handling the vendors to ensure they are maximizing revenues to the State. Ms. Inouye noted she expects to do more with regard to marketing the entire event and that this is a start. Although Member Inouye does not expect all the answers by the next meeting, she indicated those will be her follow up questions.

Member Klompus requested a clarification of Centerplate's management fee for the Swap Meet. Acting Stadium Manager noted it is 18.9% of gross receipts. Member Inouye then stated the report she is requesting is not as appropriate and stated in terms of what she would like to see is how we can increase the number of rentals per stall and what would make it more attractive.

D. Hawaii Malls, Inc. Monthly Report (report distributed)

Members Klompus stated this is a crucial time for the stadium and it is important that the Board knows what the advertising plans are and what the anticipated revenue is. Member Ahina requested that Hawaii Malls make a presentation of their plans for the next season and provide a summary of future and past revenues. Chairman Chong Kee will request the a presentation by Hawaii Malls at the May meeting.

IV. APPROVAL OF EVENTS

A. The Prayer Center – January 5, 2008 (Sat., 3:00 p.m. – 7:30 p.m.)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER MARCUS TO APPROVE THE EVENT. THE ONLY EXCEPTION TO THIS MOTION IS, THE HULA BOWL WOULD HAVE FIRST PREFERENCE IF IT CHOOSES JANUARY 5, 2008 FOR THEIR EVENT AND THAT FINAL APPROVAL SHOULD BE GIVEN BY APRIL 30, 2007. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MOTION.

B. JN AUTOMOTIVE – August 11-12, 2007 (Sat. & Sun.)

Deputy Attorney General, John Dellera, stated the purpose of the stadium is to hold public recreational activities for the community and questioned whether the event was for public recreation as required by the deed for stadium land or whether it is for marketing purposes.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER MARCUS TO DEFER A DECISION ON THIS EVENT PENDING ADDITIONAL INFORMATION FROM THE LICENSEE. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MOTION.

C. Punish 'UM Motorsports, Inc.
July 28, 2007 (Saturday)
September 29, 2007 (Saturday)
November 17-18, 2007 (Sat. and Sum.)
All events will be held at (9:00 a.m. – 5:00 p.m.)

Member Marcus requested clarification of the events. Tracy Arakaki explained, July 28, 2007 and September 29, 2007 will be local qualifying events and Nov. 17-18, 2007 will be a national exhibition event.

Chairman mentioned Sept. 29, 2007 is not available due to UH football.

Steven Antonio stated it appears that the community is against drift racing, but with little support. He does feel if the event occurs again, he will receive similar complaints as with previous events.

Mr. Arakaki stated they are sensitive to the community's concerns, which is why they are holding the events during the day and not in the evening (no later than 5:00 p.m.). They have looked into other alternative sites, but basically the stadium is the only one available.

Board members expressed concerns about the noise factor and recalled previous complaints from the community about the events both during the day and evening.

Chairman asked for the status of the condition of the parking lot after their previous events. Tracy said measures are being taken to correct the situation when the carnival ends (June, 2007).

Member Ahina asked about the Nov. 17-18 event. Mr. Arakaki stated it will involve 16 vehicles - 8 drivers from the mainland, 4 from Japan and 4 local drivers. Anticipate approximately 3,000 people.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER MARCUS TO APPROVE THE EVENTS, EXCEPT FOR SEPTEMBER 29, 2007, IF IT CONFLICTS WITH UH FOOTBALL.

Discussion

Member Ahina expressed concern about approving this event, especially on November 17-18, due to it being too far ahead and opposition in the community.

Mr. Arakaki stated they need advance approval in order to obtain a commitment by the Japanese drivers.

Member Marcus said, in an effort to balance the demands placed on the community and to support public recreation, he is inclined to give them the opportunity to move forward.

Member Klompus pointed out that the motor sports group has met with the Governor and they are working very hard to find a permanent location. She also believes they will find a location within the next nine months and feels certain that the Board will not have to revisit this next year.

Member Inouye stated she supports the event, but not at the stadium. She also commented it is inappropriate and will be voting "no."

Member Oyadomari asked for management's input. Mr. Lum stated he has received nothing but negative phone calls and emails from the neighborhood, but realizes it is the Stadium Authority's decision. He also noted that Engineer Kenneth Tong said his position remains the same and he does not approve of drift racing at the stadium. He is concerned about the deterioration of the parking lot over time.

ON A VOTE OF 5-2, THE BOARD APPROVED THE MOTION. MEMBERS INOUYE AND AHINA VOTED AGAINST THE MOTION.

Chairman Chong Kee reminded Mr. Arakaki to follow

up on the work that needs to be done to the parking lot as previously mentioned.

D. Click Entertainment, Inc. – July 3, 2007

Chairman Chong Kee stated that this is a Korean concert and there appears to be a conflict with another concert.

Events Manager, Eugene Tokuhama stated Click Entertainment is requesting July 3 and Mabuhay Publications (concert) was approved for July 7. To assist the licensees with cost and timing, staff is looking at the possibility of both concerts utilizing the same stage. The second concern is that the stadium staff will not be able to wash down the field, and Mabuhay would have to accept the stadium "as is" for their concert.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER OYADOMARI TO APPROVE THIS EVENT.

Discussion

Member Inouye inquired if they will have a contract similar to other concerts – the answer was yes, @ 10% of gross receipts.

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MOTION.

E. <u>Mabuhay Publications LLC – July 8, 2007</u>

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER KLOMPUS TO ADD MABUHAY PUBLICATIONS TO THE AGENDA TO MOVE THE CONCERT DATE FROM JULY 7 TO JULY 8, 2007. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MOTION.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER MARCUS TO APPROVE THE MABUHAY PUBLICATIONS CONCERT ON JULY 8, 2007. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MOTION.

V. UNFINISHED BUSINESS

A. Parking Task Force Report

Member Oyadomari stated in speaking with Scott Chan, the proposals that were presented, to work with Centerplate in creating an alternate parking party area and to use Ford Island, are being implemented. We attempted to have a second meeting with UH, but due to their busy schedule a meeting is now scheduled for April 16, 2007. We are still continuing our efforts to obtain UH's approval to possibly share in the costs for added police, etc.

Member Inouye recalled there was urgency by UH to meet prior to their ticketing time frame. She asked that the records show that the Stadium Authority did complete its part in a timely fashion.

Member Ahina inquired when she can expect to have a complete package of everything that is required in time for the 2007 football season; i.e., traffic problem, signage, full-page ads, etc.

Mr. Tokuhama stated staff has a plan in effect, but we need to know what the budget is from UH, in order to add to or adjust the plan.

Member Oyadomari noted now that Mr. Tokuhama mentioned the budget approval, he believes the finalized plans should be ready at the July meeting or sooner, and that he will keep the Board up to date of its progress at future meetings.

B. Legislative Report from State Comptroller on Legislative Bills that will affect Aloha Stadium.

Comptroller Russ Saito gave the Board an update on the following:

- 1. Proposed Budget Bill (\$38.0 million over a 2-yr. period)
- 2. New method of financing the \$12.0 million that was appropriated last year.
- 3. Repairing and refurbishing the stadium.
- 4. House Bill 567, requiring DAGS to conduct a study to determine the cost of developing an all-professional motor sports facility on Oahu.

B. Search for Stadium Manager

Chairman Chong Kee stated he would defer this matter until next month's meeting. He stated there are matters that need to be worked out with the Comptroller so he is not prepared to report at this time.

VI. NEW BUSNESS

A. Head of Security for Aloha Stadium – Report and Discussion on the hiring of the Head of Security

Chairman Chong Kee stated that applications for the Head of Security position are being submitted to the Department of Human Resources. He was informed by Mr. Chan that members of the task force are as following:

> Eugene Tokuhama Stephen Lee Roger Reeves, Centerplate William Clark, former Dep. Police Chief, President of the Aiea Neighborhood Board

Chairman Chong Kee asked Member Kane to sit on the committee.

B. Soccer United Marketing – Pan- Pacific Championship – request to open the configuration of Aloha Stadium to host an international soccer event

Chairman Chong Kee advised the Board that Soccer United Marketing (SUM) is interested in holding their 2008 Pan-Pacific Championship at Aloha Stadium; and prior to filling out an application, they are here to research the possibility of the field being moved into a baseball configuration. In attendance were Takehiko Nakamura (Coordinator – responsible for all Asian Pacific Rim business) and Nelson Rodriguez (Sr. Vice President - International Business).

Mr. Rodriguez provided the Board with a complete and detailed presentation of SUM, as well as the Pan-Pacific Championship (PPC) which they would like to launch at Aloha Stadium in February 2008. They are confident it will create an event that is

unprecedented in the world of soccer. It will also crown the champion for the Pacific Rim and they already have commitments in writing from Major League Soccer (MLS) to send its champion to this event. They also have a commitment from the Japanese J-League to send its Nabisco Cup champion to this event. Through ESPN, they intend to broadcast the event throughout the world. They believe Hawaii is the best location for the PPC. They have met with soccer influences in the community and have received full support. Mr. Rodriguez stated they are not asking for money – they are mainly requesting for a reconfiguration of Aloha Stadium/ Timing is critical and they would require approval at least six months prior to their event.

Members Inouye and Klompus expressed opposition to a reconfiguration due to the risk factors and also the fact that the Board voted to permanently lock the field in a football configuration.

Comptroller Saito stated he could look into accommodating the PPC in 2008, by doing a design study to cut the four corners of the field, which would involve removal of some seats; however he would need to know what the commitment is, which may involve some type of memorandum. Mr. Rodriguez was agreeable to a written agreement and advised the Comptroller that past history will show their commitments are for at least four to five years. He also said it is not about making money today; it's about making money over the long term and is consistent with their values and vision for major league soccer, which is to grow the sport in America.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER KLOMPUS TO REQUEST THAT COMPTROLLER RUSS SAITO INVESTIGATE THE FEASIBILITY OF DOING THE REQUIRED RENOVATION OF THE EXISTING STADIUM STRUCTURE TO ACCOMMODATE THE 2008 SEASON FOR THE PANPACIFIC CHAMPIONSHIP AND FURTHER TO REQUEST THAT STADIUM MANAGEMENT WORK WITH THE APPLICANT TO CONFIRM FINANCIAL VIABILITY OF THIS ENTITY. THE BOARD UNANIMOUSLY APPROVED THE MOTION.

Comptroller stated he will be working with Mr. Rodriguez and anticipates getting back to the Board with his assessment in a timely manner.

C. <u>Kapolei Recreational Sports Complex – Discussion to pursue or remove the Kapolei Recreational Sports Complex from HRS Chapter 109-1 and 109-09</u>

Chairman advised the Board that the land was taken away and does the Board want to pursue it, to set up a baseball stadium or to drop it from the statutes?

Mr. Dellera explained that the complex was put into the statutes in 1999 which was Senator Mizuguchi's project to set up a baseball complex with eight baseball diamonds and a 4,000-seat stadium in Kapolei. Governor Cayetano was originally supportive of the project, broke ground around 1998 and subsequently withdrew his support presumably due to concerns that the market was not sufficient to maintain such a complex. The project was never developed and it remains in the law. Mr. Dellera stated that if the Stadium Authority is going to have a role in overseeing a temporary use of Hawaii Raceway Park for motor sports under a lease that DAGS would negotiate, that gives the Board Legislative authority to do that. If the Board removes the Kapolei Sports Complex from its present statute, then it would have no authority to oversee a raceway park n Kapolei. Comptroller Saito said it is too late this year to take it out of the law. However, he believes Mr. Dellera's point relative to its flexibility is a good one and can be addressed next year.

IN CHONG KEE

VII. NEXT MEETING

April 26, 2007

VIII. ADJOURNMENT

1:05 p.m.

Recorded by:

Diana Ho

Approval Date:

April 26, 2007_